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EXTRAORDINARY

PART II—Section 3—Sub-section (i)  
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**MINISTRY OF COMMERCE AND INDUSTRY**

(Department of Company Law Administration)

*New Delhi, the 21st March 1961*

**SCHEDULE VI TO THE COMPANIES ACT**

**G.S.R. 414.**—In exercise of the powers conferred by sub-section (1) of section 641 of the Companies Act, 1956 (I of 1956), the Central Government hereby makes with effect from the 1st April 1961, the following alterations in Schedule VI to the said Act, namely:—

In the said Schedule,—

1. In "Part I—Form of Balance-Sheet",—

(a) in the second column headed "Liabilities", under the sub-head "SHARE CAPITAL", for the paragraph commencing with the words "Of the above shares" and ending with "from share premium account", the following paragraph shall be substituted, namely:—

"Of the above shares ..... shares are allotted as fully paid up by way of bonus shares\*";

(b) in the first column opposite to the same paragraph, the following instruction shall be inserted, namely:—

"\*Specify the source from which bonus shares are issued, e.g., capitalisation of profits or Reserves or from Share Premium Account;"

(c) in the second column headed "Liabilities" for the entry "Add: Forfeited shares", the following entry shall be substituted, namely:—

"†Add: Forfeited shares (amount originally paid up)";

(d) in the first column opposite to the same entry, the following instruction shall be inserted, namely:—

"†Any capital profit on re-issue of forfeited shares should be transferred to Capital Reserve;"

(e) in the second column headed "liabilities", for the entries under the sub-head "RESEVES AND SURPLUS", the following entries shall be substituted, namely:—

"(1) Capital Reserves.

(2) Capital Redemption Reserve.

(3) Share Premium Account (cc).

(4) Other Reserves specifying the nature of each Reserve and the amount in respect thereof.

Less: Debit balance in profit and loss account (if any) (h).

- (5) Surplus, i.e., balance in profit and loss account after providing for proposed allocations, namely:—  
Dividend, Bonus or Reserves.
- (6) Proposed additions to Reserves.
- (7) Sinking Funds.”;
- (f) in the first column, opposite to the same sub-head, for the second paragraph of the instructions, the following paragraph shall be substituted, namely:—  
“The word ‘fund’ in relation to any ‘Reserve’ should be used only where such Reserve is specifically represented by earmarked investments.”;
- (g) in the instructions in the first column opposite to the sub-head “SECURED LOANS”, the following paragraph shall be inserted at the commencement, namely:—  
“\*Loans from Directors, the Managing Agents, Secretaries and Treasurers, Manager should be shown separately.  
Interest accrued and due on Secured Loans should be included under the appropriate sub-heads under the head SECURED LOANS.”;
- (h) in the instructions in the first column opposite to the sub-head “UNSECURED LOANS”, the following paragraph shall be inserted at the commencement, namely:—  
“† Loans from Directors, the Managing Agents, Secretaries and Treasurers, Manager should be shown separately.  
Interest accrued and due on Unsecured Loans should be included under the appropriate sub-heads under the head “UNSECURED LOANS.”;
- (i) in the second column headed “Liabilities”, under the sub-head “CURRENT LIABILITIES AND PROVISIONS”,—  
(a) under “A. Current Liabilities”, for items (1) to (10), the following items shall be substituted, namely:—  
“(1) Acceptances.  
(2) Sundry Creditors.  
(3) Subsidiary Companies.  
(4) Advance payments and unexpired discounts for the portion for which value has still to be given, e.g., in the case of the following classes of companies:  
Newspaper, Fire Insurance, Theatres, Clubs, Banking, Steamship Companies, etc.  
(5) Unclaimed Dividends.  
(6) Other Liabilities (if any).  
(7) Interest accrued but not due on loans”;
- (b) under “B. Provisions”, for items (11) to (14), the following items shall be substituted, namely:—  
“(8) Provisions for Taxation.  
(9) Proposed Dividends.  
(10) For Contingencies.  
(11) For Provident Fund scheme.  
(12) For insurance, pension and similar staff benefits schemes.  
(13) Other provisions.”;
- (j) in the fourth column for the second paragraph of the instructions relating to “Fixed Assets”, the following paragraph shall be substituted, namely:—  
“In every case where the original cost cannot be ascertained without unreasonable expense or delay, the valuation shown by the books shall be given. For the purposes of this paragraph, such valuation shall be the net amount at which an asset stood in the company's books at the commencement of this Act after deduction of the amounts previously provided or written off for depreciation or

diminution in value, and where any such asset is sold, the amount of sales proceeds shall be shown as deduction.”;

(k) in the third column, headed “Assets”, under the head “CURRENT ASSETS, LOANS AND ADVANCES”,—

(i) for item “† † (3) Loose Tools”, the following item shall be substituted, namely:—

“(3) Loose Tools”;

(ii) in item (6), for the words “Less: Reserve”, the words “Less: Provision” shall be substituted;

(l) in the fourth column, in the instructions relating to “CURRENT ASSETS, LOANS AND ADVANCES”, in the 7th paragraph, for the word “Reserves” in the first two places where it occurs, the word “Provision” shall be substituted;

(m) in the third column headed “Assets”—

(i) in the sub-head “MISCELLANEOUS EXPENDITURE”, after the words “to the extent not written off”, the words “or adjusted” shall be inserted;

(ii) in the same sub-head, for the entry “PROFIT AND LOSS ACCOUNT  
Loss brought forward  
Less Reserves set off”,

the following shall be substituted, namely:—

“† PROFIT AND LOSS ACCOUNT.”;

(n) in the fourth column opposite to the sub-head “MISCELLANEOUS EXPENDITURE”, the following instructions shall be inserted, namely:—

“† Show here the debit balance of profit and loss account carried forward after deduction of the uncommitted reserves, if any.”

## II. In the Notes below Part I,—

(a) in note (c), for the words “subsidiary companies, etc.”, the words “subsidiary companies” shall be substituted;

(b) for note (cc), the following note shall be substituted, namely:—

“(cc) The item “Share Premium Account” shall include details of its utilisation in the manner provided in section 78 in the year of utilisation.”;

(c) in note (f), for the words “cannot be included”, the words “should not be included” shall be substituted;

(d) for note (h), the following note shall be substituted, namely:—

“(h) The debit balance in the Profit and Loss Account shall be shown as a deduction from the uncommitted reserves, if any.”;

(e) in note (m), for the words “current assets”, the words “current assets, loans and advances” shall be substituted;

(f) for note (p), the following note shall be substituted, namely:—

“(p) Current accounts with Directors, Managing Agents, Secretaries and Treasurers and Manager, whether they are in credit or debit, shall be shown separately.”

## III. In Part II,—

(a) in paragraph 3(i),—

for sub-paragraph (b), the following sub-paragraphs shall be substituted, namely:—

“(b) Commission paid to sole selling agents within the meaning of section 294 of the Act.

(c) Commission paid to other selling agents.

(d) Brokerage and discount on sales, other than the usual trade discount.”;

(b) in paragraph 3(ii), for sub-paragraph (d), the following sub-paragraphs shall be substituted, namely:—

- "(d) In the case of a concern which falls under more than one of the categories mentioned under clauses (a), (b) and (c) above, it shall be sufficient compliance of the requirements herein if the total amounts are shown in respect of the opening and closing stocks, purchases and sales and the gross income from services rendered is shown.
- (e) In the case of other concerns, the gross income derived under the different heads.";
- (c) in paragraph 3(iv), after the words "shall be stated", the following shall be inserted, namely:—
- "and the quantum of arrears of depreciation computed in accordance with section 205(2) of the Act shall be disclosed by way of a note.";
- (d) in paragraph 3(vii), for the words "amounts provided for", the words "amounts reserved for" shall be substituted;
- (e) in paragraph 4—
- (i) for the opening portion, the following shall be substituted, namely:—
- "The profit and loss account shall also contain or give by way of a note detailed information, showing separately the following payments provided or made during the financial year to the directors (including managing directors), the managing agents, secretaries and treasurers or manager, if any, by the company, the subsidiaries of the company and any other person:—";
- (ii) in sub-paragraph (i), for the words "managerial remuneration, that is to say, amounts paid", the words "managerial remuneration under section 198 of the Act paid or payable" shall be substituted;
- (iii) for sub-paragraph (iv), the following sub-paragraph shall be substituted, namely:—
- "(iv) Commission received or receivable under section 359 of the Act by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company.";
- (iv) for sub-paragraph (vi), the following sub-paragraph shall be substituted, namely:—
- "(vi) Other allowances and commission including guarantee commission (details to be given).";
- (f) paragraph 4A shall be re-lettered as paragraph 4B, and before the paragraph as so re-lettered, the following paragraph shall be inserted, namely:—
- "4A. The profit and loss account shall contain or give by way of a note a statement showing the computation of net profits in accordance with section 349 of the Act with relevant details of the calculation of the commissions payable by way of percentage of such profits to the directors (including managing directors), the managing agents, secretaries and treasurers or manager, (if any)."

[No. F. 15/15/61-CLVI.]

B. S. MANCHANDA, Dy. Secy.